

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Conservation Cost Recovery)
Clause.)
_____)

DOCKET NO. 970002-EG

Filed: November 11, 1997

DIRECT TESTIMONY

OF

RAND W. SMITH

ON BEHALF OF CITY GAS COMPANY OF FLORIDA
(A DIVISION OF NUI CORPORATION)

Michael A. Palecki
Vice President of
Regulatory Affairs
955 East 25 Street
Hialeah, FL 33013-3498
(305)691-8710

DOCUMENT NUMBER-DATE

11575 NOV 12 5

FPSC-RECORDS/REPORTING

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2 DIRECT TESTIMONY OF

3 RAND W. SMITH

4 ON BEHALF OF CITY GAS COMPANY OF FLORIDA

5 (A DIVISION OF NUI CORPORATION)

6 DOCKET NO. 970002-EG

7 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, BY WHOM YOU ARE**
8 **EMPLOYED, AND IN WHAT CAPACITY.**

9 **A.** My name is Rand W. Smith. My business address is NUI Corporation, Southern
10 Division, 955 E. 25th Street, Hialeah, FL 33013-3498. I am employed by the NUI
11 Corporation as Vice President - Finance for its Southern Division, which
12 includes City Gas Company of Florida ("City Gas" or "the Company"). The
13 Southern Division also includes the North Carolina, Maryland, New York and
14 Pennsylvania operations of NUI Corporation.

15
16 **Q. ARE YOU FAMILIAR WITH THE COSTS WHICH HAVE BEEN INCURRED BY**
17 **CITY GAS COMPANY IN IMPLEMENTING ITS ENERGY CONSERVATION**
18 **PROGRAMS?**

19 **A.** Yes, I am.

20
21 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS DOCKET?**

22 **A.** The purpose of my testimony is to present data and summaries concerning the
23 planned and actual accomplishments of the Company's energy conservation
24 programs during the period October 1, 1996 through September 30, 1997. Data
25 related to calculation of the true-up for this period are also included.

1 Q. HAVE YOU PREPARED STUDIES OF THE COMPANY'S CONSERVATION
2 PROGRAMS AND THE COSTS ASSOCIATED WITH THESE PROGRAMS?

3 A. Yes. Summaries of the programs in which City Gas incurred recoverable costs
4 during the period October 1996 through September 1997 are contained on
5 Schedule CT-6, pages 12-17 of my Exhibit (RWS-1).
6

7 Q. HAS CITY GAS PREPARED A SCHEDULE WHICH SHOWS THE ACTUAL
8 EXPENDITURES ASSOCIATED WITH ITS ENERGY CONSERVATION
9 PROGRAMS FOR THIS PERIOD?

10 A. Yes. Actual expenses for this period are shown on Schedule CT-2, page 2 of 3
11 Schedule CT-2, page 1 of 3, shows a comparison of the actual program cost with
12 previously submitted projected program cost.
13

14 Q. WHAT WAS THE TOTAL COST INCURRED BY THE COMPANY IN
15 CONNECTION WITH THESE PROGRAMS DURING THE TWELVE MONTHS
16 ENDED SEPTEMBER 30, 1997?

17 A. As shown on Schedule CT-2, page 1 of 3, total program costs were \$1,468,734
18 This total is \$135,694 less than our projection of program costs for the
19 twelve-month period.
20

21 Q. HAS CITY GAS PREPARED, FOR THE TWELVE-MONTH PERIOD
22 INVOLVED, A SCHEDULE WHICH SHOWS THE VARIANCE OF ACTUAL
23 FROM PROJECTED PROGRAM COSTS BY CATEGORIES OF EXPENSES?

24 A. Yes. Schedule CT-2, page 3 of 3 shows these variances.
25

1 Q. WHAT IS THE COMPANY'S ADJUSTED NET TRUE-UP FOR THE TWELVE
2 MONTHS ENDED SEPTEMBER 30, 1997?

3 A. We originally estimated an underrecovery, including interest, of \$523,710. The
4 actual true-up amount, including interest, is an overrecovery of \$89,108. As
5 shown on Schedule CT-1, this results in an adjusted net true-up amount,
6 including interest, of \$612,818.

7

8 Q. IS THE ADJUSTED NET TRUE-UP AN UNDERRECOVERY OR AN
9 OVERRECOVERY?

10 A. An overrecovery, as shown on Schedule CT-1.

11

12 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

13 A. Yes, it does.

14

15

16

17

18

19

20

21

22

23

24

25

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Direct Testimony of
Rand W. Smith on Behalf of City Gas Company of Florida has been furnished by
U.S. Mail to the following parties of record, this 11th day of November, 1997

Robert Elias
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

John Roger Howe
c/o The Florida Legislature
Office of the Public Counsel
111 West Madison Street
Suite #812
Tallahassee, FL 32399

Ausley Law Firm
James Beasley
117 S. Gadsden Street
Tallahassee, FL 32301

Beggs & Lane Law Firm
G. Edison Holland
Jeffery Stone
P.O. Box 12950
Pensacola, FL 32576-2950

Florida Power Corporation
James A. McGee
P. O. Box 14042
St. Petersburg, FL 33733

Gatlin Law Firm
Wayne Schiefelbein
1709-D Mahan Dr.
Tallahassee, FL 32308

Legal Environmental Assistance
Foundation, Inc.
1115 N. Gadsden Street
Tallahassee, FL 32303

St. Joe Natural Gas Company, Inc.
Debbie Stitt
P. O. Box 549
Port St. Joe, FL 32456

Messer Law Firm
Floyd R. Self
Norman Horton, Jr.
215 South Monroe Street
Suite #701
Tallahassee, FL 32302

Steel Law Firm
Charles A. Guyton
215 South Monroe Street
Suite 601
Tallahassee, FL 32301



Michael A. Palecki
Vice President of Regulatory Affairs
955 East 25 Street
Hialeah, FL 33013-3498
(305)691-8710

Exhibit No. _____
DOCKET NO. 970002-EG
City Gas Company of Florida
(RWS-1)
Page 1 of 17

CITY GAS COMPANY OF FLORIDA
CONSERVATION COST RECOVERY TRUE-UP DATA
(October 1, 1996 through September 30, 1997)

| DESCRIPTION | <u>PAGE</u> |
|------------------------------------------------------------------------------------------------|--------------------|
| Contents | 2 |
| Schedule CT-1 | |
| 1 of 1 - Summary: Adjusted Net True-up | 3 |
| Schedule CT-2 - | |
| 1 of 3 - Energy Conservation Costs: Actual vs. Estimated | 4 |
| 2 of 3 - Actual Conservation Program Costs per Program | 5 |
| 3 of 3 - Conservation Costs per Program - Variance Actual vs. Projected | 6 |
| Schedule CT-3 | |
| 1 of 3 - Energy Conservation Adjustment Calculation of True-up and Interest Provision | 7 |
| 2 of 3 - Energy Conservation Adjustment | 8 |
| 3 of 3 - Calculation of True-up and Interest Provision | 9 |
| Schedule CT-4 | |
| 1 of 1 - Schedule of Capital Investments, Depreciation and Return | 10 |
| Schedule CT-5 | |
| 1 of 1 - Reconciliation and Explanation of Differences Between Filing and FPSC Audit Report | 11 |
| Schedule CT-6 | |
| Program Progress Reports: | |
| Single Family Residential Home Builder Program | 12 |
| Multi-Family Residential Home Builder Program | 13 |
| Electric Resistance Replacement Program | 14 |
| Dealer Program | 15 |
| Schools Program | 16 |
| Common Costs | 17 |

SCHEDULE CT-1

ADJUSTED NET TRUE UP
FOR MONTHS: OCTOBER 1996 THROUGH SEPTEMBER 1997

END OF PERIOD NET TRUE-UP

| | | |
|-----------|-----------------|----------|
| PRINCIPLE | (74,905) | |
| INTEREST | <u>(14,203)</u> | (89,108) |

LESS PROJECTED TRUE-UP

| | | |
|-----------|----------------|----------------|
| PRINCIPLE | 531,145 | |
| INTEREST | <u>(7,435)</u> | <u>523,710</u> |

| | | |
|----------------------|--|------------------|
| ADJUSTED NET TRUE-UP | | <u>(612,818)</u> |
|----------------------|--|------------------|

() REFLECTS OVER-RECOVERY

SCHEDULE CT-2
 PAGE 1 OF 3

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
 ACTUAL VERSUS ESTIMATED

FOR MONTHS: OCTOBER 1996 THROUGH SEPTEMBER 1997

| | <u>ACTUAL</u> | <u>PROJECTED*</u> | <u>DIFFERENCE</u> |
|-------------------------------------|---------------|-------------------|-------------------|
| CAPITAL INVESTMENT | - | - | - |
| PAYROLL & BENEFITS | 367,967 | 288,189 | 79,778 |
| MATERIALS & SUPPLIES | 1,705 | 1,688 | 17 |
| ADVERTISING | 150,452 | 174,452 | (24,000) |
| INCENTIVES | 915,998 | 1,111,797 | (195,799) |
| OUTSIDE SERVICES | - | - | - |
| VEHICLES | 32,612 | 25,128 | 7,484 |
| OTHER | - | 3,174 | (3,174) |
| SUB-TOTAL | 1,468,734 | 1,604,428 | (135,694) |
| PROGRAM REVENUES | - | - | - |
| TOTAL PROGRAM COSTS | 1,468,734 | 1,604,428 | (135,694) |
| LESS: | | | |
| PAYROLL ADJUSTMENTS | - | - | - |
| AMOUNTS INCLUDED IN RATE BASE | - | - | - |
| CONSERVATION ADJUSTMENT REVENUES | (1,543,639) | (1,073,283) | (470,356) |
| ROUNDING ADJUSTMENT | - | - | - |
| TRUE-UP BEFORE INTEREST | (74,905) | 531,145 | (606,050) |
| INTEREST PROVISION | (14,203) | (7,435) | (6,768) |
| END OF PERIOD TRUE-UP | (89,108) | 523,710 | (612,818) |

() REFLECTS OVER-RECOVERY

* 2 MONTHS ACTUAL AND 10 MONTHS PROJECTED

SCHEDULE CT-2
 PAGE 2 OF 3

ACTUAL CONSERVATION COSTS PER PROGRAM
 FOR MONTHS: OCTOBER 1996 THROUGH SEPTEMBER 1997

| PROGRAM NAME | CAPITAL INVESTMENT | PAYROLL & BENEFITS | MATERIALS & SUPPLIES | ADVERTISING | INCENTIVES | OUTSIDE SERVICES | VEHICLE | OTHER | TOTAL |
|---------------------------------------|--------------------|--------------------|----------------------|----------------|----------------|------------------|---------------|-------|------------------|
| PROGRAM 1: SINGLE FAMILY HOME BUILDER | - | 132,607 | - | 1,175 | 621,435 | - | 12,113 | - | 767,330 |
| PROGRAM 2: MULTI FAMILY HOME BUILDER | - | - | - | - | 16,800 | - | - | - | 16,800 |
| PROGRAM 3: ELECTRIC REPLACEMENT | - | 196,330 | 1,085 | 149,277 | 266,863 | - | 17,566 | - | 631,121 |
| PROGRAM 4: DEALER PROGRAM | - | 35,614 | 53 | - | 10,900 | - | 2,648 | - | 49,215 |
| PROGRAM 5: SCHOOLS PROGRAM | - | 3,416 | 567 | - | - | - | 285 | - | 4,268 |
| COMMON COSTS | - | - | - | - | - | - | - | - | - |
| TOTAL | | 367,967 | 1,705 | 150,452 | 915,998 | | 32,612 | | 1,468,734 |

SCHEDULE CT-2
 PAGE 3 OF 3

CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED
 FOR MONTHS: OCTOBER 1996 THROUGH SEPTEMBER 1997

| PROGRAM NAME | CAPITAL INVESTMENT | PAYROLL & BENEFITS | MATERIALS & SUPPLIES | ADVERTISING | INCENTIVES | OUTSIDE SERVICES | VEHICLE | OTHER | TOTAL |
|---------------------------------------|--------------------|--------------------|----------------------|-----------------|------------------|------------------|--------------|----------------|------------------|
| PROGRAM 1: SINGLE FAMILY HOME BUILDER | - | 63,583 | (1,000) | (28,809) | (23,002) | - | (403) | (3,174) | 7,195 |
| PROGRAM 2: MULTI FAMILY HOME BUILDER | - | (8,735) | - | - | 11,800 | - | - | - | 3,065 |
| PROGRAM 3: ELECTRIC REPLACEMENT | - | 76,219 | 885 | 34,809 | (174,678) | - | 9,874 | - | (52,891) |
| PROGRAM 4: DEALER PROGRAM | - | (32,596) | 53 | (28,000) | (9,919) | - | (1,324) | - | (71,786) |
| PROGRAM 5: SCHOOLS PROGRAM | - | (18,693) | 79 | (2,000) | - | - | (663) | - | (21,277) |
| COMMON COSTS | - | - | - | - | - | - | - | - | - |
| TOTAL TOTAL OF ALL PROGRAMS | - | 79,778 | 17 | (24,000) | (195,799) | - | 7,484 | (3,174) | (135,694) |

() REFLECTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

SCHEDULE CT-3
 PAGE 1 OF 3

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
 SUMMARY OF EXPENSES BY PROGRAM
 FOR MONTHS: OCTOBER 1996 THROUGH SEPTEMBER 1997

| EXPENSES: | MONTH NO. 1 | MONTH NO. 2 | MONTH NO. 3 | MONTH NO. 4 | MONTH NO. 5 | MONTH NO. 6 | MONTH NO. 7 | MONTH NO. 8 | MONTH NO. 9 | MONTH NO. 10 | MONTH NO. 11 | MONTH NO. 12 | TOTAL |
|-----------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|------------------|
| PROGRAM 1: | 54,757 | 59,963 | 88,085 | 94,902 | 52,925 | 102,925 | 74,745 | 23,072 | 45,454 | 87,193 | 33,719 | 49,590 | 767,330 |
| PROGRAM 2: | - | - | - | - | - | - | - | 16,800 | - | - | - | - | 16,800 |
| PROGRAM 3: | 37,310 | 56,587 | 62,939 | 61,117 | 45,472 | 52,267 | 40,616 | 43,960 | 51,158 | 87,158 | 55,386 | 37,152 | 631,122 |
| PROGRAM 4: | 5,105 | 4,670 | 5,034 | 5,474 | 4,277 | 5,020 | 3,103 | 3,206 | 2,404 | 6,272 | 1,304 | 3,346 | 49,215 |
| PROGRAM 5 | 202 | 377 | 543 | 314 | 703 | 479 | 258 | 398 | 388 | 24 | 185 | 396 | 4,267 |
| TOTAL | 97,374 | 121,597 | 156,601 | 161,807 | 103,377 | 160,691 | 118,722 | 87,436 | 99,404 | 180,647 | 90,594 | 90,484 | 1,468,734 |
| LESS AMOUNT INCLUDED IN RATE BASE | - | - | - | - | - | - | - | - | - | - | - | - | - |
| RECOVERABLE CONSERVATION EXPENSES | <u>97,374</u> | <u>121,597</u> | <u>156,601</u> | <u>161,807</u> | <u>103,377</u> | <u>160,691</u> | <u>118,722</u> | <u>87,436</u> | <u>99,404</u> | <u>180,647</u> | <u>90,594</u> | <u>90,484</u> | <u>1,468,734</u> |

SCHEDULE CT-3
 PAGE 2 OF 3

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
 FOR MONTHS: OCTOBER 1996 THROUGH SEPTEMBER 1997

| CONSERVATION REVENUES | MONTH NO. 1 | MONTH NO. 2 | MONTH NO. 3 | MONTH NO. 4 | MONTH NO. 5 | MONTH NO. 6 | MONTH NO. 7 | MONTH NO. 8 | MONTH NO. 9 | MONTH NO. 10 | MONTH NO. 11 | MONTH NO. 12 | TOTAL |
|-----------------------------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|
| 1 RCS AUDIT FEES | . | . | . | . | . | . | . | . | . | . | . | . | . |
| 2 OTHER PROGRAM REVS | . | . | . | . | . | . | . | . | . | . | . | . | . |
| 3 CONSERV. ADJ REVS | <u>(75,316)</u> | <u>(83,712)</u> | <u>(95,402)</u> | <u>(116,465)</u> | <u>(110,514)</u> | <u>(87,624)</u> | <u>(88,481)</u> | <u>(97,195)</u> | <u>(88,790)</u> | <u>(83,735)</u> | <u>(82,593)</u> | <u>(81,628)</u> | <u>(1,091,455)</u> |
| 4 TOTAL REVENUES | <u>(75,316)</u> | <u>(83,712)</u> | <u>(95,402)</u> | <u>(116,465)</u> | <u>(110,514)</u> | <u>(87,624)</u> | <u>(88,481)</u> | <u>(97,195)</u> | <u>(88,790)</u> | <u>(83,735)</u> | <u>(82,593)</u> | <u>(81,628)</u> | <u>(1,091,455)</u> |
| 5 PRIOR PERIOD TRUE UP NOT APPLICABLE TO THIS PERIOD | <u>(37,682)</u> | <u>(37,682)</u> | <u>(37,682)</u> | <u>(37,682)</u> | <u>(37,682)</u> | <u>(37,682)</u> | <u>(37,682)</u> | <u>(37,682)</u> | <u>(37,682)</u> | <u>(37,682)</u> | <u>(37,682)</u> | <u>(37,682)</u> | <u>(452,184)</u> |
| 6 CONSERVATION REVENUES APPLICABLE TO THE PERIOD | <u>(112,998)</u> | <u>(121,394)</u> | <u>(133,084)</u> | <u>(154,147)</u> | <u>(148,196)</u> | <u>(125,306)</u> | <u>(126,163)</u> | <u>(134,877)</u> | <u>(126,472)</u> | <u>(121,417)</u> | <u>(120,275)</u> | <u>(119,310)</u> | <u>(1,543,639)</u> |
| 7 CONSERVATION EXPENSES (FROM CT-3, PAGE 1) | <u>97,374</u> | <u>121,597</u> | <u>156,601</u> | <u>161,807</u> | <u>103,377</u> | <u>160,691</u> | <u>118,722</u> | <u>87,436</u> | <u>99,404</u> | <u>180,647</u> | <u>90,594</u> | <u>90,484</u> | <u>1,468,734</u> |
| 8 TRUE-UP THIS PERIOD | <u>(15,624)</u> | <u>203</u> | <u>23,517</u> | <u>7,660</u> | <u>(44,819)</u> | <u>35,385</u> | <u>(7,441)</u> | <u>(47,441)</u> | <u>(27,068)</u> | <u>59,230</u> | <u>(29,681)</u> | <u>(28,828)</u> | <u>(74,905)</u> |
| 9 INTEREST PROVISION THIS PERIOD (FROM CT-3 PAGE 3) | <u>(1,989)</u> | <u>(1,864)</u> | <u>(1,738)</u> | <u>(1,491)</u> | <u>(1,343)</u> | <u>(1,232)</u> | <u>(1,014)</u> | <u>(959)</u> | <u>(961)</u> | <u>(713)</u> | <u>(489)</u> | <u>(430)</u> | <u>(14,203)</u> |
| 10 TRUE-UP & INTER. PROV. BEGINNING OF MONTH | <u>(452,184)</u> | <u>(432,115)</u> | <u>(396,094)</u> | <u>(336,631)</u> | <u>(292,781)</u> | <u>(301,261)</u> | <u>(229,426)</u> | <u>(200,200)</u> | <u>(210,917)</u> | <u>(201,265)</u> | <u>(105,066)</u> | <u>(97,534)</u> | |
| 11 PRIOR PERIOD TRUE UP COLLECTED/(REFUNDED) | <u>37,682</u> | <u>37,682</u> | <u>37,682</u> | <u>37,682</u> | <u>37,682</u> | <u>37,682</u> | <u>37,682</u> | <u>37,682</u> | <u>37,682</u> | <u>37,682</u> | <u>37,682</u> | <u>37,682</u> | |
| 12 TOTAL NET TRUE UP (SUM LINES 8 + 9 + 10 + 11) | <u>(432,115)</u> | <u>(396,094)</u> | <u>(336,631)</u> | <u>(292,781)</u> | <u>(301,261)</u> | <u>(229,426)</u> | <u>(200,200)</u> | <u>(210,917)</u> | <u>(201,265)</u> | <u>(105,066)</u> | <u>(97,534)</u> | <u>(89,108)</u> | <u>(89,108)</u> |

CITY GAS COMPANY OF FLORIDA

SCHEDULE CT-5

**Reconciliation and Explanation of Differences Between
Filing and PSC Audit Report**

(If no differences exist please state)

There are no known differences at this time.

CITY GAS COMPANY OF FLORIDA

**Schedule CT-6
 PROGRAM PROGRESS REPORT**

NAME: SINGLE FAMILY RESIDENTIAL HOME BUILDER - PROGRAM 1

DESCRIPTION: The Single Family Residential Home Builder Program is designed to increase the number of high-priority natural gas customers in the new residential construction market. The Company offers incentives in the form of allowances to builders to assist in defraying the additional cost associated with piping, venting, and installing gas appliances.

PROGRAM ALLOWANCES:

| | |
|--------------------|-------|
| Furnace | \$250 |
| Water Heater | 225 |
| Range | 100 |
| Dryer | 100 |

REPORTING PERIOD: OCTOBER 1996 through SEPTEMBER 1997

APPLIANCES INSTALLED:

| | |
|--------------|--------------|
| Furnace | 1,245 |
| Water Heater | 2,287 |
| Range | 890 |
| Dryer | 858 |
| Total | 5,280 |

CONSERVATION COST VARIANCE: Actual vs. Projected

| | |
|-----------------|----------------|
| Projected Costs | \$760,135 |
| Actual Costs | 767,330 |
| Variance | \$7,195 |

CITY GAS COMPANY OF FLORIDA

**Schedule CT-6
PROGRAM PROGRESS REPORT**

NAME: MULTI-FAMILY RESIDENTIAL HOME BUILDER - PROGRAM 2

DESCRIPTION: The Multi-Family Residential Home Builder Program is designed to increase the number of high-priority natural gas customers in the new residential construction market. The Company offers incentives in the form of allowances to builders to assist in defraying the additional cost associated with piping, venting, and installing gas appliances.

PROGRAM ALLOWANCES:

Per dwelling unit \$300

REPORTING PERIOD: OCTOBER 1996 through SEPTEMBER 1997

APPLIANCES INSTALLED:

Two central water heaters installed for a total of 56 apartments.

CONSERVATION COST VARIANCE: Actual vs. Projected

| | |
|-----------------|----------|
| Projected Costs | \$13,735 |
| Actual Costs | \$16,800 |
| Variance | \$3,065 |

CITY GAS COMPANY OF FLORIDA
 Schedule CT-6
PROGRAM PROGRESS REPORT

NAME: ELECTRIC RESISTANCE REPLACEMENT PROGRAM 3

DESCRIPTION: The Electric Resistance Replacement Program is designed to encourage the replacement of electric resistance type appliances with energy-efficient natural gas appliances. The Program offers incentives in the form of allowances to assist customers in defraying the additional cost associated with the purchasing, piping, and installation.

PROGRAM ALLOWANCES:

| | |
|--------------------|-------|
| Furnace | \$550 |
| Water Heater | 400 |
| Range | 100 |
| Dryer | 100 |

REPORTING PERIOD: OCTOBER 1996 through SEPTEMBER 1997

APPLIANCES INSTALLED:

| | |
|--------------|-----|
| Furnace | 144 |
| Water Heater | 228 |
| Range | 125 |
| Dryer | 79 |
| Total | 576 |

CONSERVATION COST VARIANCE: Actual vs. Projected

| | |
|-----------------|------------|
| Projected Costs | \$684,012 |
| Actual Costs | 631,121 |
| Variance | (\$52,891) |

CITY GAS COMPANY OF FLORIDA

**Schedule CT-6
 PROGRAM PROGRESS REPORT**

NAME: DEALER - PROGRAM 4

DESCRIPTION: The Gas Appliance Dealer/Contractor Program is designed to encourage the replacement of electric resistance type appliances with natural gas appliances and older, inefficient gas appliances with modern, efficient gas appliances through appliance dealers and contractors. The Program offers allowances to the dealer/contractors.

PROGRAM ALLOWANCES:

DEALER/CONTRACTOR ALLOWANCE:

| | |
|--------------------|------|
| Furnace | \$30 |
| Water Heater | 30 |
| Range | 15 |
| Dryer | 15 |

REPORTING PERIOD: OCTOBER 1996 through SEPTEMBER 1997

APPLIANCES INSTALLED:

| | |
|--------------|------------|
| Furnace | 114 |
| Water Heater | 173 |
| Range | 63 |
| Dryer | 43 |
| Total | 393 |

CONSERVATION COST VARIANCE: Actual vs. Projected

| | |
|-----------------|-------------------|
| Projected Costs | \$121,001 |
| Actual Costs | 49,215 |
| Variance | (\$71,786) |

* All incentive payments were made to non-affiliated dealers.

CITY GAS COMPANY OF FLORIDA

Schedule CT-6
PROGRAM PROGRESS REPORT

NAME: GAS APPLIANCES IN SCHOOLS - PROGRAM 5

DESCRIPTION: The Schools Program is to promote the replacement of all-electric appliances where possible in Home Economics Departments of all schools in our service area at no charge, and to offer assistance of company-employed home economists to schools to teach energy conservation and to train students in the use, care, and safety of gas appliances.

PROGRAM ALLOWANCES:

\$300 per gas range

REPORTING PERIOD: OCTOBER 1996 through SEPTEMBER 1997

PROGRAM SUMMARY:

The significant costs incurred by this program were payroll and and benefits which totaled \$3,416.

CONSERVATION COST VARIANCE: Actual vs. Projected

| | |
|-----------------|------------|
| Projected Costs | \$25,545 |
| Actual Costs | \$4,268 |
| Variance | (\$21,277) |

CITY GAS COMPANY OF FLORIDA

**Schedule CT-6
PROGRAM PROGRESS REPORT**

NAME: ENERGY CONSERVATION COMMON COSTS

REPORTING PERIOD: OCTOBER 1996 through SEPTEMBER 1997

There was no activity in common costs during the OCTOBER 1996 through SEPTEMBER 1997 period.

CONSERVATION COST VARIANCE: Actual vs. Projected

| | |
|-----------------|-----|
| Projected Costs | \$0 |
| Actual Costs | 0 |
| Variance | \$0 |